WELFARE REFORM RECONCILIATION/Work Participation Penalties

SUBJECT: Personal Responsibility and Work Opportunity Act of 1996 . . . S. 1956. Santorum motion to table the Graham amendment No. 4952.

ACTION: MOTION TO TABLE AGREED TO, 56-43

SYNOPSIS: As reported, S. 1956, the Personal Responsibility and Work Opportunity Act of 1996, will enact major welfare reforms. The Aid to Families with Dependent Children (AFDC) program will be replaced with a new Temporary Assistance for Needy Families (TANF) block grant to the States. The TANF block grant will be capped through 2001. Time limits will be placed on individuals receiving TANF benefits. Overall, the growth in non-Medicaid welfare spending will be slowed to 4.3 percent annually. The bill originally included major Medicaid reforms, but most of those provisions were stricken when the bill was reported. Without those Medicaid reforms, welfare spending will still be reduced by \$61.4 billion over 6 years.

The Graham amendment would strike the section that will require a 5-percent reduction in a State's TANF block grant if that State fails for 2 consecutive years to meet its work participation requirement, and will require an additional 5-percent penalty for each subsequent year a State fails to meet its work participation requirement, up to a maximum penalty of 25 percent. (For the first year that a State fails to meet its work participation requirement a penalty of up to 5 percent will be imposed. A penalty will not be imposed on a State if the Federal Government determines that it had a reasonable cause for failing to meet its work participation requirement. States will have to have 25 percent of their welfare caseloads engaged in work beginning in FY 1997, increasing to 50 percent in FY 2002.)

Following debate, Senator Santorum moved to table the Graham amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

Traditionally, the Federal Government focuses on process instead of results. It imposes tremendous amounts of regulations and

(See other side)

YEAS (56)			NAYS (43)			NOT VOTING (1)	
Republicans Democrats		Republicans	De	emocrats	Republicans (1)	Democrats (0)	
	(51 or 98%) (5 or 11%)		(1 or 2%)	(42 or 89%)			
Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Domenici Faircloth Frahm Frist Gorton Gramm Grams Grassley Gregg Hatch	Hatfield Helms Hutchison Inhofe Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Bradley Feingold Ford Hollings Kohl	Jeffords	Akaka Baucus Biden Bingaman Boxer Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feinstein Glenn Graham Harkin Heflin Inouye Johnston	Kennedy Kerrey Kerry Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 226 JULY 23, 1996

paperwork requirements for States to follow when running Federal programs, but it does not demand success. This bill is different. It will strip away the Federal mandates, give the States the money, tell them what they are expected to accomplish, and then reward or punish them based on the results. In a nutshell, the Federal Government expects States to get people off of welfare and into jobs. States that do well will get bonuses, but offering bonuses is not enough. Punishments must also be imposed for failing to get people into the work force. Without such punishments, some States may decide not to go to the trouble and expense of preparing welfare recipients for work and helping them find jobs. The provision that the Graham amendment would strike will provide for cumulative 5-percent penalties for States that fail to meet the minimum work participation requirements that are in the bill. Cumulative penalties are necessary because otherwise some States may just decide to take a 5-percent reduction in their grants and do nothing. We are confident that no State is going to simply accept a 25-percent reduction, which is the maximum that will be allowed. By making penalties cumulative, we can be sure that every State will make a good-faith effort to get their welfare recipients into the work force. If a State has a reasonable cause for failing to meet its requirement, a penalty will not be imposed, but it is going to have to make the effort. We favor making penalties cumulative, and thus support the motion to table the Graham amendment.

Those opposing the motion to table the Graham amendment contended:

We have four reasons for supporting the Graham amendment. First, the language that it would strike is unclear. We are not certain if that language will eventually be interpreted as calling for a 5-percent penalty each year or cumulative penalties. We have heard different interpretations. Second, it is inflexible. The language last year gave the Secretary of Health and Human Services flexibility by allowing the imposition of penalties of "up to" 5 percent. This bill requires a 5-percent penalty. Third, this penalty is opposed by the National Conference of State Legislatures. The Conference points out that States want to succeed in reforming welfare and are going to try, so there is no need to impose penalties. Further, they reason that if a States' efforts are failing, the last thing that should be done is to cut their funding, which will make further failure all the more likely. Fourth, imposing penalties is unfair to those States that will receive a small amount of funding under the inequitable block grant formula. That formula is going to provide some States with so little money that they will be guaranteed to fail to meet the work participation requirements. When they fail, it will be unfair to penalize them. We find these reasons for supporting the Graham amendment to be compelling, and thus urge our colleagues to oppose the motion to table.